

Message Text

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73

ACTION ARA-10

INFO OCT-01 ISO-00 L-03 EB-07 SS-15 SP-02 INR-07 OES-03

ARAE-00 /048 W

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P 091415Z MAR 76

FM AMEMBASSY BRASILIA

TO SECSTATE WASHDC PRIORITY 4401

C O N F I D E N T I A L BRASILIA 2047

STADIS//////////

E. O. 11652: GDS

TAGS: OVIP (KISSINGER, HENRY A.)

SUBJECT: FOLLOW UP ON SECRETARY'S TRIP

REF: STATE 054204

1. THERE FOLLOWS OUR RECOMMENDATIONS FOR ADDITIONS OR
CHANGES ON LIST CONTAINED REFTEL.

2. RE "I". A. GENERAL. FOR THE RECORD THE FIRST FOUR
POINTS UNDER THIS HEADING ARE BASED NOT ON THE PRESS
CONFERENCE BUT ON THE SECRETARY'S SPEECH (TOAST) AT
ITAMARATY.

B. ITEM 2: DELETE "WILL" AND SUBSTITUTE "ARE PREPARED
TO". (FIDELITY TO TEXT)

C. ITEM 5: CHANGE ALL AFTER "U.S.", TO READ: "OF
BALANCE OF TRADE ISSUE BETWEEN BRAZIL AND THE UNITED STATES ".
(FIDELITY TO TEXT)

D. ITEM 6: CHANGE TO READ: "WE WILL DISCUSS
VARIOUS APPROACHES TO THE ISSUE OF COUNTERVAILING DUTIES
THAT MAY OFFER SOME HOPE THAT THIS PARTICULAR IRRITANT
CAN BE EASED IF NOT ELIMINATED". (FIDELITY TO TEXT)

3. RE "I": NO CHANGE.

4. RE "III": A. ITEM 1. ALTHOUGH WE DO NOT HOLD A COPY
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OF THE MINUTES TAKEN AT THE 12 NOON MEETING OF FEBRUARY 20,

OR INDEED THE MINUTES OF ANY OTHER MEETING EXCEPT THOSE FOR THE SESSION WITH REIS VELLOSO AND SIMONSEN, WHICH WERE PREPARED BY AN EMBASSY OFFICER (BRASILIA 1633), THE AMBASSADOR DOES NOT RECALL THAT EITHER THE SECRETARY OR THE BRAZILIAN SIDE PROPOSED AN EXCHANGE CONCERNING URANIUM ENRICHMENT.

ON THE OTHER HAND, THERE IS NO REFERENCE TO UEKI'S PARTICIPATING IN AN EXPLORATORY EXAMINATION OF THE PRINCIPLES OF A REVISED BILATERAL NUCLEAR AGREEMENT. IT IS THE AMBASSADOR'S RECOLLECTION THAT THIS WAS TOUCHED ON VERY RAPIDLY AT THE VERY BEGINNING OF THE CONVERSATION WITH UEKI.

B. ITEM 2. THE FORMULATION IN REFTEL IS VERY GENERAL. THE GIST OF THE UNDERSTANDING WAS THAT THE LOS DELEGATIONS WOULD PURSUE FURTHER THE DISCUSSION OF THE DEEP SEABED ISSUE.

C. ITEM 3, RESPONSE: WE WOULD LIKE TO SEE THIS READ: "THE SECRETARY AGREED TO THE SUGGESTION BY FOREIGN MINISTER SILVEIRA TO SET UP A SUB-GROUP ON SCIENCE AND TECHNICAL COOPERATION. THE SECRETARY STATED FURTHER THAT ON THE U.S. SIDE THERE SHOULD BE SET UP A MECHANISM WITH MEMBERS FROM ALL AGENCIES, MAKING CLEAR THAT THIS IS A MATTER OF HIGH LEVEL PRIORITY".

D. ITEM 4. THE AMBASSADOR DOES NOT RECALL A SPECIFIC REFERENCE TO A FIGURE OF 150 WHICH IS NOT CONSISTENT WITH THE OVERALL MINISTRY OF AGRICULTURE PLAN WHICH CALLS FOR A TOTAL OF 400 OVER SEVERAL YEARS. WE SUGGEST NOT USING A SPECIFIC FIGURE. CONCERNING THE RESPONSE, IT SHOULD BE NOTED, IN ADDITION TO THE PRESENT LANGUAGE, THAT THE DISCUSSION OF THE TECHNICAL TRAINING FOR BRAZILIAN AGRICULTURALISTS LED TO THE PROPOSAL BY SILVEIRA FOR THE ESTABLISHMENT OF A RELEVANT SUB-GROUP AND THAT THE MINISTRY OF AGRICULTURE'S PROGRAM WOULD BE EXAMINED IN THAT SUB-GROUP.

E. ITEM 5A SHOULD READ: "REQUEST FOR SUPPORT WITH THE WORLD BANK".

F. ITEM 5B SHOULD BE EXPANDED TO READ: "CARAJAS IRON MINE: REQUEST FOR SUPPORT WITH WORLD BANK AND EXIM BANK". RESPONSE SHOULD READ: "TAKE UP WITH MCNAMARA WITH RESPECT TO WORLD BANK FINANCING".

G. ITEM 5C SHOULD BE CHANGED TO READ: "SOFT LOANS: CHANGE OF CRITERION FOR LENDING TO BRAZIL BY IFI'S, CONFIDENTIAL

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AVOIDING USE OF OVERALL PER CAPITA STANDARD AND RECOGNIZING REGIONAL DISPARITIES WITHIN BRAZIL".

H. ITEM 7 SHOULD BE CHANGED TO READ: "SIMONSEN'S PROPOSALS FOR AN INTERIM UNDERSTANDING CONCERNING BRAZILIAN EXPORT SUBSIDIES AND US COUNTERVAILING DUTIES:

1. AGREEMENT ON A DEFINITION OF WHAT CONSTITUTES AN OBJECTIONABLE SUBSIDY, WITH BRAZIL TO REPLACE SUCH PRACTICES BY OTHER INCENTIVES",

2. DISGUISED DEVALUATION: WITH RESPECT TO THE RESPONSE,
CHANGE TO READ: "TRY THE IDEA WITH SIMON AND TREASURY AND
SEE WHETHER IT CAN BE WORKED OUT."

I. ITEM 8A CHANGE TO READ: "SEEK PRICE COORDINATION". WITH
RESPECT TO RESPONSE, CHANGE TO READ: "WE WOULD CONSIDER".

J. ITEM 8B IRON: WE ARE PUZZLED BY THIS REFERENCE
INASMUCH AS UEKI, IN ONE OF THE PAPERS HANDED TO THE
SECRETARY, MADE A SPECIAL POINT OF STATING THAT BRAZIL
IS NOT IN FAVOR OF OPEC-LIKE ORGANIZATIONS OF MINERAL
EXPORTING COUNTRIES AND THEREFORE DID NOT JOIN THE
ASSOCIATION OF IRON ORE EXPORTING COUNTRIES.

K. ITEM 8C NICKEL AND MANGANESE: RESPONSE SHOULD
READ: "OFFER TO CONSIDER. IT DEPENDS ON THE MECHANISM."
CRIMMINS

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